

~~SECRET~~

LAOS

In Laos, the chances of our getting the neutralist government which would keep that tiny but strategically important country from going Communist are getting dimmer every day. The year-old cease-fire was broken by the Communist capture of Nam Tha yesterday. The Royal Laotian forces are no match for the Communists if they start pushing militarily again, and we may soon be faced with two unpleasant alternatives--letting Laos fall to the Communists, or stepping in ourselves to hold the country.

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